

**White House Conference on Aging Solutions Forum
Los Angeles Convention Center, Room 501**

**Allison Ruff, Principal Consultant
Assembly Committee on Aging and Long-Term Care**

Thank you for inviting me to speak here today. I appreciate the chance to talk about the daunting challenges that we'll be facing over the next several years as the baby boomers begin to retire.

No demographic development is more astounding than the massive explosion in the number of older Californians over the next few decades. The increase in demand for long-term care services is a certainty. How California will respond is the question.

California is at a crossroads. We face an unprecedented growth in our aging population, yet we are also dealing with a critical budget crisis that threatens the core of services essential to keeping seniors in their own homes and communities.

Aging baby boomers will impact every area of policy development. The aging of a society affects its economic growth, housing and transportation systems, geographic and land-use planning needs, health and social services, and a host of public and private-sector concerns. Because of California's sheer size and diversity, it will be a barometer of how the nation will grapple with the challenges and opportunities of a rapidly aging population.

While significant, the challenges posed by the aging of California over the next 50 years appear to be manageable with effective planning. Although there will be considerably more elderly in the state, they will also be healthier, and therefore less needy in general. State administered public programs for the elderly such as cash assistance and Medi-Cal will need to increase as the number of older Californians rises, however, there are factors that will reduce the strain on future resources.

California's long-term fiscal balance is critically dependent on the rate of growth in Medi-Cal spending. Population aging will be costly, especially if per-capita medical care costs continue to rise as they have. Fiscal projections illustrate that the share of the budget funding nursing home care through Medi-Cal will expand rapidly, even as rates of nursing home utilization and disability are declining.

There are many steps that we can take to contain the rising growth of medical costs, while at the same time ensuring that older Californians remain healthy and active. To start, we can, and should, invest in chronic disease prevention and management programs. And, we can utilize our bulk purchasing power to lower the cost of prescription drugs.

However, even with cost containment, significant challenges will still exist. One of the largest challenges to effective long-range planning for aging and long-term care is the current service delivery system. California lags behind other states in terms of effective service delivery and avoiding unnecessary institutionalization for its residents.

The administration of California's long-term care programs reflects a piecemeal approach in program development and funding. The complexity of the system is the greatest barrier to improved service. Thirty-eight programs are housed in five different departments.

The delivery of home and community-based services needs to be vastly improved in order to coordinate services that are appropriate to each individual's functional needs and financial situation.

California's long-term care system has been the subject of debate for more than two decades. The underlying topic of discussion has been the consensus of many policymakers and experts that the state's approach is fragmented and does not effectively serve Californians seeking home and community-based services.

As a result, a variety of organizational proposals have been introduced that were intended to improve service delivery and be more cost effective, however none of the plans have been fully implemented.

Added to the various plans aimed at restructuring long-term care services, there are at least seven different state plans that to some degree, serve the same population: *the State Plan on Aging, the Statewide Long Range Strategic Plan on Aging, the Olmstead Plan, the State Plan for Independent Living, the California Mental Health Master Plan, the California State Plan for Vocational Rehabilitation Services, and the California State Council on Developmental Disabilities Plan.*

The existence of seven different strategic plans and the multiple reorganization proposals spanning more than a decade illustrates the fragmentation at the state level. While there are common themes to each plan, they must all be integrated into a single policy vision that state policymakers can use to develop an aging agenda for the 21st Century.

Of course, keeping the status quo is always an option.

Because of inaccurate information, a lack of political will, outright denial, procrastination, or a combination of these factors, policy leaders in California and across the nation tend to severely underestimate the lead times they need to create policies to address the aging of baby boomers.

If California does not adequately plan for the pending age wave, we will have a system so overwhelmed that we will not be able to respond to the long-term care needs of older adults and individuals with disabilities.

In addition, we'll be wrestling with a budget inundated with long-term care demands, thereby severely limiting other services provided by the state, including services for families, education, and state and community infrastructures.

From the consumer's perspective, older Californians will not have enough personal resources to pay for their long-term care needs. We'll have a Medi-Cal safety net with significant gaps. Family members and unpaid caregivers will receive little or no support. And, older adults and individuals with disabilities will be unable to remain in their own homes due to a lack of transportation, technological enhancements, and long-term care providers.

With the explosive growth of the boomer population, the costs for the administration of long-term care programs will soar uncontrollably unless policymakers can eliminate the current duplicative silos that increase administrative costs and decrease consumer and provider dissatisfaction with the bureaucracy that exists today. Change, which is most clearly needed, will require leadership, political will, and courage.

There is little mystery about what an effective, consumer-oriented long-term care system would look like. Advocates have been describing a continuum of care that would provide freedom of choice and the least-restrictive environment for decades. Yet, developing such a long-term care system is one of the greatest challenges facing healthcare.

A new long-term care system in California will foster gatekeeper and care navigation services in order to minimize system fragmentation and help consumers access home and community-based services. All consumers and caregivers will be provided with access to information and referral services, short-term assistance, or long-term care coordination.

The new system will deliver services based upon functional need, not age-based eligibility.

We will maximize administrative efficiency through data collection and tracking for both consumers and providers.

The new system will also enhance private pay options for those who could pay for services and may not meet financial eligibility criteria for state-run programs. These individuals are often forgotten or ignored by the system, and have difficulty accessing necessary home and community-based services.

Looking beyond the organizational structure of long-term care, older Californians will have a health system better tuned to their needs with an emphasis on disease prevention, a transportation system that is flexible, homes and neighborhoods that promote aging in place, work environments that support family caregivers, and a workforce adequate to meet the changing needs of an aging society.

During the next 10 years, California has a window of opportunity to prepare for the changes that will affect virtually every aspect of life. California will need to reevaluate the effectiveness of current policies and systems for delivering services to meet the needs of the aging population, especially in light of increasing diversity.

Assemblywoman Patty Berg and the Committee on Aging and Long-Term Care have been working on this singular vision for the past year. California has never seen anything like the aging boom, no state has. There is no tried and true way to deal with something that hasn't happened before.

We're not just talking about healthcare, nursing homes, and how to pay for them. We're talking about the entire range of needs and challenges facing our aging population. We're talking about housing, and transportation; retirement and financial abuse; employment and family caregiving.

And that's just the short list.

The issues confronting the aging are everywhere. They are intertwined with every aspect of our lives. We cannot simply look at health care without addressing transportation. Think about it, how good is it to make a doctor's appointment available if the patient can't get to it.

How good is it to develop more services for frail older adults if we don't have an adequate supply of nurses and social workers to provide those services?

So far, Assemblywoman Berg has brought together some of the leading experts in the field to develop a Master Plan on Aging. Together, we've laid out a series of reports that articulate the problem, catalogue the trends, and line up a host of potential solutions. However, the process is only just beginning.

Over the course of the next several months, the Committee on Aging and Long-Term Care is planning informational hearings on the emerging trends to explore the barriers to effective service delivery, and draft legislative solutions.

I invite all of you to review the initial reports and let us know your thoughts and recommendations for change.

We are at a crossroads. We must make a decision. We must not shy away from the challenge. The price of failure is a bleak future in which older adults must expect less and accept less. The price of failure is a bankrupt state that makes empty promises and delivers little in the way of real help.

However, if we develop and implement a workable master plan, we can move into a future in which older adults live in a community where they can get the services they need. Where they can live longer, healthier lives, and do it in their own homes.

Thank you again for the opportunity to speak to you today. I'd be happy to answer any questions that you might have.